

A RESOLUTION

BY: COUNCILMEMBER CEASAR MITCHELL

08-R-2317

**A RESOLUTION SUPPORTING AND ENCOURAGING THE DISINVESTMENT OF ALL FUNDS MANAGED BY, FOR AND ON BEHALF OF THE CITY OF ATLANTA AND ANY ANCILLARY COMPONENTS OF THE CITY OF ATLANTA, IN ANY COMPANY WITH ACTIVE BUSINESS OPERATIONS IN IRAN OR SUDAN; AND FOR OTHER PURPOSES.**

**WHEREAS** the U.S. Congress, Secretary of State and President of the United States have declared that atrocities and genocide have been committed against the citizens of regions of Sudan; and

**WHEREAS** it has also been recognized that Iran has failed to suspend its uranium enrichment activities; that the United Nations Security Council and the United States have imposed sanctions against Iran; and that the United Nations has imposed an embargo on Iranian arms exports which is a freeze on assets abroad of an expanded list of individuals and companies involved in Iran's nuclear and ballistic missile programs; and

**WHEREAS** it is the responsibility of state and municipal governments to decide how, where and by whom financial resources in its control should be invested; and

**WHEREAS** moreover, it is the prerogative of state and municipal governments not to participate in ownership or capital-providing capacity with entities that provide significant practical support for genocide, including certain non-U.S. companies presently doing business in Sudan; and

**WHEREAS** there are financial risks with investments in publicly traded companies that have business activities in and ties to Iran's petroleum-energy sector; and

**WHEREAS** the Atlanta City Council desires that the Chief Financial Officer through the City Debt and Investment Manager and investment managers for all funds managed by, for and on behalf of the City of Atlanta and any ancillary components of the City of Atlanta, make their best efforts to identify all scrutinized companies in which the City has direct or indirect holdings, or could possibly have such holdings in the future; and

**WHEREAS** the definition of "scrutinized company" as to Sudan, includes a company with business operations in Sudan with revenues or assets linked to oil-related or power-production activities under certain circumstances; or a company that is complicit in the Darfur genocide; or a company that supplies military equipment within Sudan under certain conditions; and

**WHEREAS** the definition of "scrutinized company" as to Iran, includes a company with business operations that involve the government of Iran or certain companies, and have

revenues or assets linked to Iran and involve oil-related or mineral extraction under certain conditions; and

**WHEREAS** the Atlanta City Council desires that the Chief Financial Officer through the City Debt and Investment Manager assemble a list of "scrutinized companies" and update it quarterly; and

**WHEREAS** the Atlanta City Council desires that the Chief Financial Officer through the City Debt and Investment Manager and investment managers for all funds managed by, for and on behalf of the City of Atlanta and any ancillary components of the City of Atlanta not acquire securities of any companies on the scrutinized companies list which have active business operations in Sudan or Iran, with certain exceptions; and

**WHEREAS** in response to the financial risk posed by investments in companies doing business with countries that sponsor terrorists, the Securities and Exchange Commission established its Office of Global Security Risk to provide for enhanced disclosure of material information regarding such companies; and

**WHEREAS** the current Sudan divestment movement encompasses nearly 100 universities, municipalities, states and private pension plans; and

**WHEREAS** companies facing such widespread divestment present further material risk to remaining investors; and

**WHEREAS** it is a fundamental responsibility of the City of Atlanta to decide where, how and by whom financial resources in its control should be invested, taking into account numerous pertinent factors; and

**WHEREAS** divestiture should be considered with the intent to improve investment performance and, by the rules of prudence, fiduciaries must take into account all relevant substantive factors in arriving at an investment decision; and

**WHEREAS** it is the prerogative and desire of the City of Atlanta, with respect to investment resources in its control and to the extent reasonable, with due consideration for return on investment on behalf of the City and its investment beneficiaries, not to participate in an ownership or capital-providing capacity with entities that provide significant practical support for genocide, including certain non United States companies presently doing business in Sudan; and

**WHEREAS** the City of Atlanta is seriously concerned about investments in publicly traded companies with business activities in and ties to Iran's petroleum-energy sector as a financial risk to the shareholders; and

**WHEREAS** by investing in publicly traded companies having ties to Iran's petroleum-energy sector, the City of Atlanta is putting the funds it oversees at substantial financial risk; and

**WHEREAS** divestiture from markets that are vulnerable to embargo, loan restrictions and sanctions from the United States and the international community, including the United Nations Security Council, is consistent with the rules of prudence; and

**WHEREAS** to protect the City of Atlanta's assets, the Atlanta City Council feels that it is in the best interest of the City to implement a policy to prohibit the investment of public funds managed by the City in any "scrutinized companies" with active business operations in Sudan or in Iran, as identified by the City Debt and Investment Manager on a quarterly basis, in accordance with this resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA:** that

**SECTION 1:** The foregoing Whereas Clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

**SECTION 2:** The City Council of the City of Atlanta desires and affirms that the City of Atlanta shall not invest any Funds managed by, for and on behalf of the City of Atlanta and any ancillary components of the City of Atlanta in any "scrutinized companies" with active business operations in Iran or Sudan as identified by the City Debt and Investment Manager

**SECTION 3:** That all resolutions and parts of resolutions in conflict herewith are hereby waived to the extent of the conflict.

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(Do Not Write Above This Line)

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- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☒ PERSONAL PAPER REFER

Date Referred 11/17/08  
Referred To: Fin/EXCC  
Date Referred  
Referred To:  
Date Referred  
Referred To:

First Reading

Committee \_\_\_\_\_  
Date \_\_\_\_\_  
Chair \_\_\_\_\_  
Referred To \_\_\_\_\_

Committee

Date

Chair

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Refer To

Committee

Date

Chair

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Refer To

Committee

Date

Chair

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Committee

Date

Chair

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Refer To

Refer To

FINAL COUNCIL ACTION  
☐ 2nd ☐ 1st & 2nd ☐ 3rd  
Readings  
☐ Consent ☐ V Vote ☐ RC Vote

CERTIFIED

MAYOR'S ACTION